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in obtaining a license and for rehearsings under such act," with amendments.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11207) entitled "An act to amend the Small Business Act so as to authorize an additional \$150 million for loans to small businesses, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. PROXIMIRE, Mr. BYRD of West Virginia, Mr. CAPEHART, and Mr. BENNETT to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6597) entitled "An act to revise the boundaries of Dinosaur National Monument and to provide an entrance road or roads thereto, and for other purposes."

The message also announced the appointment of the Senator from South Dakota [Mr. MUNDT] as conferee on the bill (S. 690) entitled "An act to provide for the increased use of agricultural products for industrial purposes" in place of the Senator from Iowa [Mr. HICKENLOOPER], excused.

IMPROVING ADMINISTRATION OF OVERSEA ACTIVITIES OF THE GOVERNMENT OF THE UNITED STATES

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7758) to improve the administration of oversea activities of the Government of the United States, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 3, after "That" insert "titles I to V, inclusive, of".

Page 5, after line 1, insert "The head of the Government agency concerned may, in accordance with regulations of the President, waive in whole or in part any right of recovery under this section, if it is shown that such recovery would be against equity and good conscience or against the public interest."

Page 7, lines 7 and 8, strike out "transportation" and insert "travel".

Page 7, line 24, strike out "cost of transporting" and insert "travel expenses of".

Page 8, line 9, strike out "transportation" and insert "travel expenses".

Page 23, line 20, strike out "901 (1) and (2)".

Page 23, line 23, strike out "1131".

Page 26, after line 19, insert:

"(7) Section 901 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1131), is amended to read as follows:

"REPRESENTATION ALLOWANCES

"SEC. 901. In accordance with such regulations as the President may prescribe and notwithstanding the provisions of section 1765 of the Revised Statutes (5 U.S.C. 70), the Secretary is authorized to grant to any officer or employee of the Service who is a citizen of the United States allowances in order to provide for the proper representa-

tion of the United States by officers or employees of the Service."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

SECOND SUPPLEMENTAL APPROPRIATION BILL, 1961

Mr. THOMAS, from the Committee on Appropriations, reported the bill (H.R. 13161) making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 2166), which was read a first and second time, and, with the accompanying paper, referred to the Committee of the Whole House on the State of the Union, and ordered to be printed.

Mr. BOW reserved all points of order.

S. 2633 COMMITTEE ON FOREIGN AFFAIRS

Mr. HAYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight tonight to file a report on the bill S. 2633, to amend the Foreign Service Act of 1946, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 2633)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: Strike out all after the enacting clause and insert "That this Act may be cited as the 'Foreign Service Act Amendments of 1960'."

"SEC. 2. Section 416 of the Foreign Service Act of 1946, as amended, is amended to read as follows:

"SEC. 416. (a) A person appointed as a staff officer or employee shall receive basic salary at one of the rates of the class to which he is appointed which the Secretary shall, taking into account his qualifications and experience and the needs of the Service, determine to be appropriate for him to receive.

"(b) Whenever the Secretary determines that the needs of the Service warrant the appointment of staff officers or employees in a particular occupational group uniformly at a rate above the minimum rate of the applicable class, he may adjust the basic salary of any staff officer or employee in the same class and occupational group who is receiving less than such established rate."

"SEC. 3. Section 417 of such Act is amended by striking out '(b)' in the first sentence.

"SEC. 4. Section 431 of such Act is amended by striking out in the first sentence of paragraph (a) the phrase 'the termination of time spent on authorized leave, whichever shall be later,' and inserting in lieu thereof

the phrase 'upon termination of his service in accordance with the provisions of paragraph (b) of this section,'; and by amending paragraph (b) of this section to read as follows:

"(b) The official services of a chief of mission shall not be deemed terminated by the appointment of a successor but shall continue until he has relinquished charge of the mission and for such additional period as may be determined by the Secretary, but in no case shall such additional period exceed fifty days, including time spent in transit. During such period the Secretary may require him to render such services as he may deem necessary in the interests of the Government."

"SEC. 5. Section 441 of such Act and the heading to such section are amended to read as follows:

"CLASSIFICATION OF POSITIONS IN THE FOREIGN SERVICE AND IN THE DEPARTMENT

"SEC. 441. (a) Under such regulations as he may prescribe, and in order to facilitate effective management, the Secretary shall classify all positions in the Service at posts abroad, excluding positions to be occupied by chiefs of mission, and in the case of those occupied by Foreign Service officers, Reserve officers, and staff officers and employees, he shall establish such positions in relation to the classes established by sections 412, 414, and 415, respectively. Positions occupied by alien employees and consular agents, respectively, shall be allocated to such classes as the Secretary may establish by regulation.

"(b) Under such regulations as he may prescribe, the Secretary may, notwithstanding the provisions of the Classification Act of 1949, as amended (5 U.S.C. 1071 and the following), classify positions in or under the Department which he designates as Foreign Service Officer positions to be occupied by officers and employees of the Service, and establish such positions in relation to the classes established by sections 412, 414, and 415."

"SEC. 6. Section 444 of such Act and the heading to such section are amended to read as follows:

"COMPENSATION PLANS FOR ALIEN EMPLOYEES

"SEC. 444. (a) The Secretary shall, in accordance with such regulations as he may prescribe, establish compensation plans for alien employees of the Service: *Provided*, That such compensation plans shall be based upon prevailing wage rates and compensation practices for corresponding types of positions in the locality, to the extent consistent with the public interest.

"(b) For the purpose of performing functions abroad, other Government agencies are authorized to administer alien employee programs in accordance with the applicable provisions of this Act."

"SEC. 7. Title V of such Act is amended by adding at the beginning thereof the following new section:

"POLICY

"SEC. 500. It is the policy of the Congress that chiefs of mission and Foreign Service officers appointed or assigned to serve the United States in foreign countries shall have, to the maximum practicable extent, among their qualifications, a useful knowledge of the principal language or dialect of the country in which they are to serve, and knowledge and understanding of the history, the culture, the economic and political institutions, and the interests of such country and its people."

"SEC. 8. (a) The heading to section 516 of such Act is amended to read as follows: 'ADMISSION TO CLASS 7 OR 8'.

"(b) Section 516 of such Act is amended by striking out 'Sec. 516.' and inserting in lieu thereof 'SEC. 516. (a)' and by adding at

the end thereof a new paragraph (b) which shall read as follows:

"(b) The Secretary may furnish the President with the names of those persons who have passed such examinations and are eligible for appointment as Foreign Service officers of class 8, whom he recommends for appointment directly to class 7 when in his opinion, their age, experience, or other qualifications make such an appointment appropriate."

"Sec. 9. (a) Section 517 of such Act is amended by striking out the words 'A person who has not served in class 8' which appear at the beginning of the first sentence, and inserting in place thereof the following: 'A person who has not been appointed as a Foreign Service officer in accordance with section 516 of this Act'.

"(b) Section 517 of such Act is further amended by striking out the second and third sentences of such section.

"Sec. 10. (a) The heading to section 520 of such Act is amended by striking out the phrase 'REINSTATEMENT AND RECALL' and substituting in lieu thereof the phrase 'REAPPOINTMENT, RECALL, OR REEMPLOYMENT'.

"(b) The first sentence of paragraph (a) of section 520 of such Act is amended by inserting a period after the word 'Service' where it appears for the third time, and by striking out the remainder of that sentence.

"(c) Paragraph (b) of section 520 of such Act is amended to read as follows:

"(b) The Secretary may recall any retired Foreign Service officer temporarily to duty in the Service whenever he shall determine such recall is in the public interest."

"(d) Section 520 of such Act is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c) Notwithstanding the provisions of title 5, United States Code, section 62 and title 5, United States Code, section 715a, a Foreign Service officer heretofore or hereafter retired under the provisions of section 631 or 632 or a Foreign Service staff officer or employee hereafter retired under the provisions of section 803 shall not, by reason of his retired status, be barred from employment in Federal Government service in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer."

"Sec. 11. Section 528 of such Act is amended by striking out in the second sentence of such section the phrase 'subsection (d), section 7, of the Classification Act of 1923' and substituting in lieu thereof the phrase 'the Classification Act of 1949'.

"Sec. 12. Section 531 of such Act is amended to read as follows:

"Sec. 531. The Secretary may, under such regulations as he may prescribe, appoint staff officers and employees on the basis of qualifications and experience. The Secretary may make provisions for temporary, limited, and such other types of appointment as he may deem necessary. He is authorized to establish appropriate probationary periods during which newly appointed staff officers or employees, other than those appointed for temporary or limited services, shall be required to serve. The Secretary may terminate at any time, without regard to the provisions of section 637, or the provisions of any other law, the services of staff officers or employees appointed for temporary or limited service and staff officers or employees who have not completed probationary periods, except that if such separation is by reason of misconduct the provisions of section 637 shall be applicable."

"Sec. 13. Section 532 of such Act is amended to read as follows:

"Sec. 532. Under such regulations as he may prescribe, the Secretary may assign a staff officer or employee to any post or he may assign him to serve in any position in which he is eligible to serve under the terms of

this or any other Act. A staff officer or employee may be transferred from one post to another by order of the Secretary as the interests of the Service may require."

"Sec. 14. (a) Section 571 of such Act is amended by striking out paragraphs (a), (b), (c), and (d), and the heading to such section, and inserting in lieu thereof the following:

"**ASSIGNMENTS TO ANY GOVERNMENT AGENCY OR INTERNATIONAL ORGANIZATION**

"Sec. 571. (a) Any officer or employee of the Service may, in the discretion of the Secretary, be assigned or detailed for duty in any Government agency, or in any international organization, international commission, or international body, such an assignment or combination of assignments to be for a period of not more than four years, except that under special circumstances the Secretary may extend this four-year period for not more than four additional years.

"(b) If a Foreign Service officer shall be appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to a position in any Government agency, any United States delegation or mission to any international organization, in any international commission, or in any international body, the period of his service in such capacity shall be construed as constituting an assignment within the meaning of paragraph (a) of this section and such person shall not, by virtue of the acceptance of such an assignment, lose his status as a Foreign Service officer. Service in such a position shall not, however, be subject to the limitations concerning the duration of an assignment contained in that paragraph.

"(c) If the basic minimum salary of the position to which an officer or employee of the Service is assigned pursuant to the terms of this section is higher than the salary such officer or employee is entitled to receive as an officer or employee of the Service, such officer or employee shall, during the period such difference in salary exists, receive the salary and allowances of the position in which he is serving in lieu of his salary and allowances as an officer or employee of the Service. Any salary paid under the provisions of this section shall be the salary on the basis of which computations and payments shall be made in accordance with the provisions of title VIII. No officer or employee of the Service who, subsequent to the date of enactment of the Foreign Service Act Amendments of 1960, is assigned to, or who, after June 30, 1961, occupies a position in the Department that is designated as a Foreign Service officer position, shall be entitled to receive a salary differential under the provisions of this paragraph."

"(b) Paragraph (e) of section 571 of such Act is amended by striking the phrase 'with heads of Government agencies' where it appears in the second sentence and by redesignating the paragraph as '(d)'.

"Sec. 15. Section 575 of such Act is amended by striking out all after the word 'accordance' and inserting in lieu thereof the phrase 'with the appropriate provisions of titles III and IX of Public Law 402, Eightieth Congress (62 Stat. 7 and 13; 22 U.S.C. 1451-1458, 1478 and 1479)'.

"Sec. 16. Title V of such Act is further amended by adding at the end thereof the following new section:

"**FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO ASSIGNMENT**

"Sec. 578. The Secretary shall designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. After December 31, 1963, each position so designated shall be filled only by an incumbent having such knowledge: *Provided*, That the Secre-

tary or Deputy Under Secretary for Administration may make exceptions to this requirement for individuals or when special or emergency conditions exist. The Secretary shall establish foreign language standards for assignment abroad of officers and employees of the Service, and shall arrange for appropriate language training of such officers and employees at the Foreign Service Institute or elsewhere."

"Sec. 17. Section 625 of such Act and the heading of such section are amended to read as follows:

"**WITHIN-CLASS SALARY INCREASES OF FOREIGN SERVICE OFFICERS AND RESERVE OFFICERS**

"Sec. 625. Any Foreign Service officer or any Reserve officer, whose services meet the standards required for the efficient conduct of the work of the Service and who shall have been in a given class for a continuous period of nine months or more, shall, on the first day of each fiscal year, receive an increase in salary to the next higher rate for the class in which he is serving. Without regard to any other law, the Secretary is authorized to grant to any such officer additional increases in salary, within the salary range established for the class in which he is serving, based upon especially meritorious service."

"Sec. 18. Title VI of such Act is amended by inserting after section 625 the following new section and the heading thereto:

"**RELATIONSHIP BETWEEN PROMOTIONS AND FUNCTIONAL AND GEOGRAPHIC AREA SPECIALIZATION**

"Sec. 626. The achievement of the objectives of this Act requires increasing numbers of Foreign Service officers to acquire functional and geographic area specializations and to pursue such specializations for a substantial part of their careers. Such specialization shall not in any way inhibit or prejudice the orderly advancement through class 1 of any such officer in the Foreign Service."

"Sec. 19. The heading 'PART D—SEPARATION OF FOREIGN SERVICE OFFICERS FROM THE SERVICE' under title VI of such Act is amended to read as follows: 'PART D—SEPARATION OF OFFICERS AND EMPLOYEES FROM THE SERVICE'.

"Sec. 20. Section 631 of such Act and the heading to such section are amended to read as follows:

"**FOREIGN SERVICE OFFICERS WHO ARE CAREER AMBASSADORS OR CAREER MINISTERS**

"Sec. 631. Any Foreign Service officer who is a career ambassador or a career minister, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and the consent of the Senate, shall upon reaching the age of sixty-five, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the public interest, he may extend such an officer's service for a period not to exceed five years."

"Sec. 21. Section 632 of such Act and the heading to such section are amended to read as follows:

"**PARTICIPANTS IN THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM WHO ARE NOT CAREER AMBASSADORS OR CAREER MINISTERS**

"Sec. 632. Any participant in the Foreign Service Retirement and Disability System, other than one occupying a position as chief of mission or any other position to which he has been appointed by the President, by and with the advice and consent of the Senate, who is not a career ambassador or a career minister shall, upon reaching the age of sixty, be retired from the Service and receive retirement benefits in accordance with the provisions of section 821, but whenever the Secretary shall determine it to be in the

public interest, he may extend such participant's service for a period not to exceed five years.'

"SEC. 22. Subparagraphs (1) and (2) of paragraph (b) of section 634 of such Act are amended to read as follows:

"(1) one-twelfth of a year's salary at his then current salary rate for each year of service and proportionately for a fraction of a year, but not exceeding a total of one year's salary at his then current salary rate, payable without interest, from the Foreign Service Retirement and Disability Fund, in three equal installments on the 1st day of January following the officers' retirement and on the two anniversaries of this date immediately following: *Provided*, That in special cases, the Secretary may in his discretion accelerate or combine the installments; and

"(2) a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), except that in lieu of such refund such officer, if he has at least five years of service credit toward retirement under the Foreign Service Retirement and Disability System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), may elect to receive retirement benefits on reaching the age of sixty in accordance with the provisions of section 821. In the event that an officer who was separated from class 4 or 5 and who has elected to receive retirement benefits dies before reaching the age of sixty, his death shall be considered a death in service within the meaning of section 832. In the event that an officer who was separated from class 6 or 7 and who has elected to receive retirement benefits dies before reaching the age of sixty, the total amount of his contributions made to the Foreign Service Retirement and Disability Fund, with interest as provided in section 841(a), shall be paid in accordance with the provisions of section 841(b)."

"SEC. 23. Section 635 of such Act and the heading to such section are amended to read as follows:

"FOREIGN SERVICE OFFICERS RETIRED FROM CLASS 7 OR 8

"SEC. 635. Any Foreign Service officer in class 7 who is appointed under the provisions of section 516(b) and any Foreign Service officer in class 8 shall occupy probationary status. The Secretary may terminate his service at any time."

"SEC. 24. Section 636 of such Act is amended by striking out the phrase 'Any Foreign Service officer' and inserting in lieu thereof the phrase 'Any participant in the Foreign Service Retirement and Disability System'.

"SEC. 25. (a) Paragraphs (a), (b), (c), and (d) of section 637 of such Act and the heading to such section are amended to read as follows:

"SEPARATION FOR CAUSE

"SEC. 637. (a) The Secretary may, under such regulations as he may prescribe, separate from the Service any Foreign Service officer, Reserve officer, or staff officer or employee, on account of the unsatisfactory performance of his duties, or for such other cause as will promote the efficiency of the Service, with reasons given in writing, but no such officer or employee shall be so separated until he shall have been granted a hearing by the Board of the Foreign Service and the unsatisfactory performance of his duties, or other cause for separation, shall have been established at such hearing, unless he shall have waived in writing his right to a hearing. The provisions of this section shall not apply to Foreign Service officers of class 8 or any other officer or employee of the Service who is in a probationary status or whose appointment is limited or temporary, except when separation is by reason of misconduct.

"(b) Any participant in the Foreign Service Retirement and Disability System separated under the provisions of paragraph (a) of this section shall receive a refund of the contributions made to the Foreign Service Retirement and Disability Fund, with interest, as provided in section 841(a) except that in lieu of such refund such officer may (except in cases where the Secretary determines that separation was based in whole or in part on the ground of disloyalty to the United States) if he has at least five years of service credit toward retirement under this System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a), elect to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821 commencing at the age of sixty years. In the event that an officer who has elected under the provisions of this section to receive a deferred annuity dies before reaching the age of sixty, his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881.

"(c) Any officer or employee of the Service separated under the provisions of paragraph (a) of this section who is not a participant in the Foreign Service Retirement and Disability System shall be entitled only to such benefits as shall accrue to him under the retirement system in which he is a participant.

"(d) Any payments made in accordance with the provisions of paragraph (b) of this section shall be made out of the Foreign Service Retirement and Disability Fund."

"SEC. 26. Section 638 of such Act and the heading to such section are amended to read as follows:

"TERMINATION OF LIMITED APPOINTMENTS OF FOREIGN SERVICE RESERVE OFFICERS AND STAFF OFFICERS AND EMPLOYEES

"SEC. 638. Notwithstanding the provisions of this or any other law, the Secretary may, under such regulations as he may prescribe, terminate at any time the services of any Reserve officer or staff officer or employee serving under limited appointment, except that, if the termination is because of misconduct, the provisions of section 637 shall be applicable."

"SEC. 27. Section 641 of such Act is amended to read as follows:

"SEC. 641. All promotions of staff officers and employees to a higher class shall be made at a higher salary on the basis of performance and merit in accordance with such regulations as the Secretary may prescribe."

"SEC. 28. Section 642 of such Act and the heading thereto are amended to read as follows:

"WITHIN CLASS AND LONGEVITY SALARY INCREASES

"SEC. 642. (a) Under such regulations as the Secretary may prescribe, any staff officer or employee whose services meet the standards required for the efficient conduct of the work of the Service shall receive an increase in salary at periodic intervals to the next higher salary rate for the class in which he is serving. Without regard to any other law the Secretary is authorized to grant any such officer or employee additional increases in salary within the salary range established for the class in which he is serving, based upon specially meritorious service.

"(b) Under such regulations as the Secretary may prescribe, any staff officer or employee who has attained the maximum salary rate prescribed by section 415 for the class in which he is serving may be granted from time to time an additional salary increase beyond the maximum salary rate for his class in recognition of longevity or proficiency in the Service. Each such salary increase shall be equal to the maximum salary rate increase of the applicable class and

no person shall receive more than four such salary increases while serving in the same class."

"SEC. 29. Section 701 of such Act is amended by adding at the end thereof the following: 'The Secretary may also provide to the extent that space is available therefor appropriate orientation and language training to spouses of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees. Other agencies of the Government shall wherever practicable avoid duplicating the facilities of the Institute and the training provided by the Secretary at the Institute or elsewhere.'

"SEC. 30. (a) Paragraph (a) of section 704 of such Act is amended by striking out '1923' in the two places where it appears and inserting in lieu thereof '1949'.

"(b) Section 704 of such Act is amended by adding at the end of such section new paragraphs (e) and (f) which shall read as follows:

"(e) The Secretary may, under such regulations as he may prescribe, in the absence of suitably qualified United States citizens, employ persons who are not citizens of the United States by appointment to the staff of the Institute either on a full- or part-time basis or by contract for services in the United States or abroad at rates not in excess of those provided by the Classification Act of 1949, as amended (5 U.S.C. 1071).

"(f) The Secretary may, under such regulations as he may prescribe, provide special monetary or other incentives not inconsistent with this Act to encourage Foreign Service personnel to acquire or retain proficiency in esoteric foreign languages or special abilities needed in the Service.'

"SEC. 31. (a) Section 803(b)(2) of such Act is amended to read as follows—

"(2) have paid into the Fund a special contribution for each year of such service in accordance with the provisions of section 852(b)."

"(b) Section 803 is further amended by adding at the end thereof a new paragraph (c) which shall read as follows:

"(c) In accordance with such regulations as the President may prescribe, any Foreign Service staff officer or employee appointed by the Secretary of State who has completed at least ten years of continuous service in the Department's Foreign Service, exclusive of military service, shall become a participant in the System and shall make a special contribution to the Fund in accordance with the provisions of section 852.

"(2) Any such officer or employee who, under the provisions of paragraph (c)(1) of this section, becomes a participant in the System, shall be mandatorily retired for age during the first year after the effective date of this paragraph if he attains age sixty-four or if he is over age sixty-four; during the second year at age sixty-three; during the third year at age sixty-two; during the fourth year at age sixty-one, and thereafter at age sixty.

"(3) Any officer or employee who becomes a participant in the System under the provisions of paragraph (c)(1) of this section who is age 57 or over on the effective date of this paragraph, may retire voluntarily at any time before mandatory retirement under paragraph (c)(2) of this section and receive retirement benefits under section 821."

"SEC. 32. Section 804 of such Act is amended to read as follows:

"SEC. 804. (a) Annuitants shall be persons who are receiving annuities from the Fund and all persons, including surviving wives and husbands, widows, dependent widowers, children and beneficiaries of participants or annuitants who shall become entitled to receive annuities in accordance with the provisions of this Act, as amended, or in accordance with the provisions of sec-

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tion 5 of the Act of May 1, 1956 (70 Stat. 125).

"(b) When used in this title the term—
"(1) "Widow" means the surviving wife of a participant who was married to such participant for at least two years immediately preceding his death or is the mother of issue by such marriage.

"(2) "Dependent widower" means the surviving husband of a participant who was married to such participant for at least two years immediately preceding her death or is the father of issue by such marriage, and who is incapable of self-support by reason of mental or physical disability, and who received more than one-half of his support from such participant.

"(3) "Child" means an unmarried child, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support. In addition to the offspring of the participant and his or her spouse the term includes (a) an adopted child, and (b) a step-child or recognized natural child who received more than one-half of his support from the participant."

"Sec. 33. Section 811 of such Act is amended to read as follows:

"Sec. 811. (a) Six and one-half per centum of the basic salary received by each participant shall be contributed to the Fund for the payment of annuities, cash benefits, refunds, and allowances. An equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary. The amounts deducted and withheld from basic salary together with the amounts so contributed from the appropriation or fund, shall be deposited by the Department of State in the Treasury of the United States to the credit of the Fund.

"(b) Each participant shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary."

"Sec. 34. (a) Paragraphs (a), (b), and (c) of section 821 of such Act are amended to read as follows:

"Sec. 821. (a) The annuity of a participant shall be equal to 2 per centum of his average basic salary for the highest five consecutive years of service, for which full contributions have been made to the Fund, multiplied by the number of years, not exceeding thirty-five, of service credit obtained in accordance with the provisions of sections 851, 852, and 853. However, the highest five years of service for which full contributions have been made to the Fund shall be used in computing the annuity of any participant who serves as chief of mission and whose continuity of service as such is interrupted prior to retirement by appointment or assignment to any other position determined by the Secretary to be of comparable importance. In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, shall not be counted.

"(b) At the time of retirement, any married participant may elect to receive a reduced annuity and to provide for an annuity payable to his wife or her husband, commencing on the date following such participant's death and terminating upon the death of such surviving wife or husband. The annuity payable to the surviving wife or husband after such participant's death shall be 50 per centum of the amount of the participant's annuity computed as prescribed in paragraph (a) of this section, up to the full amount of such annuity specified

by him as the base for the survivor benefits. The annuity of the participant making such election shall be reduced by 2½ per centum of any amount up to \$2,400 he specifies as the base for the survivor benefit plus 10 per centum of any amount over \$2,400 so specified.

"(c) (1) If an annuitant dies and is survived by a wife or husband and by a child or children, in addition to the annuity payable to the surviving wife or husband, there shall be paid to or on behalf of each child an annuity equal to the smallest of: (i) 40 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$600; or (iii) \$1,800 divided by the number of children.

"(2) If an annuitant dies and is not survived by a wife or husband but by a child or children, each surviving child shall be paid an annuity equal to the smallest of: (i) 50 per centum of the annuitant's average basic salary, as determined under paragraph (a) of this section, divided by the number of children; (ii) \$720; or (iii) \$2,160 divided by the number of children."

"(b) Section 821 of such Act is further amended by adding new paragraphs (d), (e), and (f) which shall read as follows:

"(d) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

"(e) The annuity payable to a child under paragraph (c) or (d) of this section shall begin on the first day of the next month after the participant dies and such annuity or any right thereto shall be terminated upon death, marriage, or attainment of the age of eighteen years, except that, if a child is incapable of self-support by reason of mental or physical disability, the annuity shall be terminated only when such child dies, marries, or recovers from such disability.

"(f) At the time of retirement an unmarried participant may elect to receive a reduced annuity and to provide for an annuity equal to 50 per centum of the reduced annuity payable after his or her death to a beneficiary whose name shall be designated in writing to the Secretary. The annuity payable to a participant making such election shall be reduced by 10 per centum of an annuity computed as provided in paragraph (a) of this section and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring participant, but such total reduction shall not exceed 40 per centum. No such election of a reduced annuity payable to a beneficiary shall be valid until the participant shall have satisfactorily passed a physical examination as prescribed by the Secretary. The annuity payable to a beneficiary under the provisions of this paragraph shall begin on the first day of the next month after the participant dies. Upon the death of the surviving beneficiary all payments shall cease and no further annuity payments authorized under this paragraph shall be due or payable."

"Sec. 35. (a) Paragraphs (a), (b), and (c) of section 831 of such Act are amended to read as follows:

"(a) Any participant who has five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with provisions of section 851 or 852(a)(2), and who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness, or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the Secretary, be retired on an annuity computed as prescribed in section 821. If the disabled or incapaci-

tated participant has less than twenty years of service credit toward his retirement under the System at the time he is retired, his annuity shall be computed on the assumption that he has had twenty years of service, but the additional service credit that may accrue to a participant under this provision shall in no case exceed the difference between his age at the time of retirement and the mandatory retirement age applicable to his class in the Service.

"(b) In each case, the participant shall be given a physical examination by one or more duly qualified physicians or surgeons designated by the Secretary to conduct examinations, and disability shall be determined by the Secretary on the basis of the advice of such physicians or surgeons. Unless the disability is permanent, like examinations shall be made annually until the annuitant has reached the statutory mandatory retirement age for his class in the Service. If the Secretary determines, on the basis of the advice of one or more duly qualified physicians or surgeons conducting such examinations that an annuitant has recovered to the extent that he can return to duty, the annuitant may apply for reinstatement or reappointment in the Service within one year from the date his recovery is determined.

"(c) If a surviving wife or husband dies or the annuity of a child is terminated, the annuities of any remaining children shall be recomputed and paid as though such wife, husband, or child had not survived the participant.

"(d) The annuity of a participant whose annuity is discontinued is for any reason not reinstated or reappointed in the Service, he shall be considered to have been separated within the meaning of section 834 as of the date he was retired for disability and he shall, after the discontinuance of the disability annuity, be entitled to the benefits of that section or of section 841(a) except that he may elect voluntary retirement in accordance with the provisions of section 836 if he can qualify under its provisions."

"(e) Section 831 of such Act is further amended by adding new paragraphs (d) and (e) which shall read as follows:

"(d) No participant shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision of the Act of September 7, 1916, as amended, shall be so construed as to deny the right of any person to receive an annuity under this Act by reason of his own services and to receive concurrently any payment under such Act of September 7, 1916, as amended, by reason of the death of any other person.

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"(e) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Secretary of Labor, shall be refunded to the Department of Labor, to be paid into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to the Department of Labor the amount representing such computed payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such Fund. Deductions from such annuity may be made from accrued and accruing payments, or may be prorated against and paid from accruing payments in such manner as the Secretary of Labor shall determine, whenever he finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding."

"SEC. 36. Section 832 of such Act is amended to read as follows:

"SEC. 832. (a) In case a participant dies and no claim for annuity is payable under the provisions of this Act, his contributions to the Fund, with interest at the rates prescribed in sections 841(a) and 881(a), shall be paid in the order of precedence shown in section 841(b).

"(b) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a) (2), dies before separation or retirement from the Service and is survived by a widow or a dependent widower, as defined in section 804, such widow or dependent widower shall be entitled to an annuity equal to 50 per centum of the annuity computed in accordance with the provisions of paragraph (e) of this section and of section 821(a). The annuity of such widow or dependent widower shall commence on the date following death of the participant and shall terminate upon death of the widow or dependent widower, or upon the dependent widower's becoming capable of self-support.

"(c) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a) (2), dies before separation or retirement from the Service and is survived by a wife or a husband and a child or children, each surviving child shall be entitled to an annuity computed in accordance with the provisions of section 821(c)(1). The child's annuity shall begin and be terminated in accordance with the provisions of section 821(e). Upon the death of the surviving wife or husband or termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though such wife or husband or child had not survived the participant.

"(d) If a participant who has at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a) (2), dies before separation or retirement from the Service and is not survived by a wife or husband, but by a child or children, each surviving child shall be entitled to an annuity computed in accordance with the pro-

visions of section 821(c)(2). The child's annuity shall begin and terminate in accordance with the provisions of section 821(e). Upon termination of the annuity of a child, the annuities of any remaining children shall be recomputed and paid as though that child had never been entitled to the benefit.

"(e) If, at the time of his or her death, the participant had less than twenty years of service credit toward retirement under the System, the annuities payable in accordance with paragraph (b) of this section shall be computed in accordance with the provisions of section 821 on the assumption he or she has had twenty years of service, but the additional service credit that may accrue to a deceased participant under this provision shall in no case exceed the difference between his or her age on the date of death and the mandatory retirement age applicable to his or her class in the Service. In all cases arising under paragraphs (b), (c), (d), or (e) of this section, it shall be assumed that the deceased participant was qualified for retirement on the date of his death."

"SEC. 37. A new section 834 is hereby added to such Act as follows:

"DISCONTINUED SERVICE RETIREMENT

"SEC. 834. (a) Any participant who voluntarily separates from the Service after obtaining at least five years of service credit toward retirement under the System, excluding military or naval service that is credited in accordance with the provisions of section 851 or 852(a) (2), may, upon separation from the Service or at any time prior to becoming eligible for an annuity, elect to have his contributions to the Fund returned to him in accordance with the provisions of section 841, or to leave his contributions in the Fund and receive an annuity, computed as prescribed in section 821, commencing at the age of sixty years.

"(b) If a participant who has qualified in accordance with the provisions of paragraph (a) of this section to receive a deferred annuity commencing at the age of sixty dies before reaching the age of sixty his contributions to the Fund, with interest, shall be paid in accordance with the provisions of sections 841 and 881."

"SEC. 38. Section 841 of such Act is amended to read as follows:

"SEC. 841. (a) Whenever a participant becomes separated from the Service without becoming eligible for an annuity or a deferred annuity in accordance with the provisions of this Act, the total amount of contributions from his salary with interest thereon at 4 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semiannually thereafter as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of separation including all contributions made during or for such period, except as provided in section 881, shall be returned to him.

"(b) In the event that the total contributions of a retired participant, other than voluntary contributions made in accordance with the provisions of section 881, with interest at 4 per centum per annum compounded annually as is provided in paragraph (a) of this section added thereto, exceed the total amount returned to such participant or to an annuitant claiming through him, in the form of annuities, accumulated at the same rate of interest up to the date the annuity payments cease under the terms of the annuity, the excess of the accumulated contributions over the accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor, and such payment shall be a bar to recovery by any other person:

"(1) To the beneficiary or beneficiaries designated by the retired participant in writing to the Secretary;

"(2) If there be no such beneficiary, to the surviving wife or husband of such participant;

"(3) If none of the above, to the child or children of such participant and descendants of deceased children by representation;

"(4) If none of the above, to the parents of such participant or the survivor of them;

"(5) If none of the above, to the duly appointed executor or administrator of the estate of such participant;

"(6) If none of the above, to other next of kin of such participant as may be determined by the Secretary in his judgment to be legally entitled thereto.

"(c) No payment shall be made pursuant to paragraph (b)(6) of this section until after the expiration of thirty days from the death of the retired participant or his surviving annuitant."

"Sec. 39. Section 851 of such Act is amended to read as follows:

"Sec. 851. For the purposes of this title, the period of service of a participant shall be computed from the effective date of appointment as a Foreign Service officer, or, if appointed prior to July 1, 1924, as an officer or employee of the Diplomatic or Consular Service of the United States, or from the date he becomes a participant under the provisions of this Act, as amended, but all periods of separation from the Service and so much of any leaves of absence without pay as may exceed six months in the aggregate in any calendar year shall be excluded, except leaves of absence while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended, and leaves of absence granted participants while performing active and honorable military or naval service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States."

"Sec. 40. (a) Paragraphs (a), (b), and (c) of section 852 of such Act are amended to read as follows:

"(a) A participant may, subject to the provisions of this section, include in his period of service—

"(1) civilian service in the executive, judicial, and legislative branches of the Federal Government and in the District of Columbia government, prior to becoming a participant; and

"(2) active and honorable military or naval service in the Army, Navy, Marine Corps, Air Force, or Coast Guard of the United States.

"(b) A person may obtain prior civilian service credit in accordance with the provisions of paragraph (a)(1) of this section by making a special contribution to the Fund equal to 5 per centum of his basic annual salary for each year of service for which credit is sought subsequent to July 1, 1924, and prior to the effective date of the Foreign Service Act Amendments of 1960, and at 6½ per centum thereafter with interest compounded annually at 4 per centum per annum to the date of payment. Any such person may, under such conditions as may be determined in each instance by the Secretary, pay such special contributions in installments.

"(c)(1) If an officer or employee under some other Government retirement system, becomes a participant in the System by direct transfer, such officer or employee's total contributions and deposits, including interest accrued thereon, except voluntary contributions, shall be transferred to the Fund effective as of the date such officer or employee becomes a participant in the System. Each such officer or employee shall be deemed to consent to the transfer of such funds and such transfer shall be a complete discharge and acquittance of all claims and demands against the other Government retirement fund on account of service rendered prior to becoming a participant in the System.

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"(2) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall be required to make contributions in addition to those transferred, for periods of service for which full contributions were made to the other Government retirement fund, nor shall any refund be made to any such officer or employee on account of contributions made during any period to the other Government retirement fund, at a higher rate than that fixed by section 811 of this Act for contributions to the Fund.

"(3) No officer or employee, whose contributions are transferred to the Fund in accordance with the provisions of paragraph (c)(1) of this section, shall receive credit for periods of service subsequent to July 1, 1924, for which a refund of contributions has been made, or for which no contributions were made to the other Government retirement fund. A participant may, however, obtain credit for such prior service by making a special contribution to the Fund in accordance with the provisions of paragraph (b) of this section."

"(b) Section 852 of such Act is further amended by adding at the end thereof new paragraphs (d) and (e) which shall read as follows:

"(d) No participant may obtain prior civilian service credit toward retirement under the System for any period of civilian service on the basis of which he is receiving or will in the future be entitled to receive any annuity under another retirement system covering civilian personnel of the Government.

"(e) A participant may obtain prior military or naval service credit in accordance with the provisions of paragraph (a)(2) of this section by applying for it to the Secretary prior to retirement or separation from the Service. However, in the case of a participant who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of a participant who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in line of duty during a period of war (as that term is used in chapter 11 of title 38, United States Code), or is awarded under chapter 67 of title 10 of the United States Code, the period of such military or naval service shall be included. No contributions to the Fund shall be required in connection with military or naval service credited to a participant in accordance with the provisions of paragraph (a)(2) of this section."

"SEC. 41. Such Act is amended by adding after section 854 a new section as follows:

"RECOMPUTATION OF ANNUITIES OF CERTAIN FORMER PARTICIPANTS

"SEC. 855. The annuity of each former participant under the System, who retired prior to July 28, 1956, and who at the time of his retirement had creditable service in excess of thirty years, shall be recomputed on the basis of actual years of creditable service not in excess of thirty-five years. Service which was not creditable under the System on the date a former participant retired, shall not be included as creditable service for the purpose of this recomputation. The annuities payable to such persons shall, when recomputed, be paid at the rates so determined, but no such recomputation or any other action taken pursuant to this section shall operate to reduce the rate of the annuity any such person is entitled to receive under the System."

"SEC. 42. The heading 'PART II—OFFICERS REINSTATED IN THE SERVICE' under title VIII of such Act is amended to read as follows:

'PART II—ANNUITANTS RECALLED, REINSTATED OR REAPPOINTED IN THE SERVICE OR REEMPLOYED IN THE GOVERNMENT'.

"SEC. 43. Section 871 of such Act is amended and a heading is added thereto as follows:

"RECALL

"SEC. 871. Any annuitant recalled to duty in the Service in accordance with the provisions of section 520(b) or reinstated or re-appointed in accordance with the provisions of section 831(b) shall, while so serving, be entitled in lieu of his annuity to the full salary of the class in which he is serving. During such service, he shall make contributions to the Fund in accordance with the provisions of section 811. When he reverts to his retired status, his annuity shall be determined anew in accordance with the provisions of section 821."

"SEC. 44. A new section 872 is hereby added to such Act as follows:

"REEMPLOYMENT

"SEC. 872. (a) Notwithstanding any other provision of law, any officer or employee of the Service, who has retired under this Act, as amended, and is receiving an annuity pursuant thereto, and who is reemployed in the Federal Government service in any appointive position either on a part-time or full-time basis, shall be entitled to receive the salary of the position in which he is serving plus so much of his annuity payable under this Act, as amended, which when combined with such salary does not exceed during any calendar year the basic salary such officer or employee was entitled to receive under section 412 or 415 of the Act, as amended, on the date of his retirement from the Service. Any such reemployed officer or employee who receives salary during any calendar year in excess of the maximum amount which he may be entitled to receive under this paragraph shall be entitled to such salary in lieu of benefits hereunder.

"(b) When any such retired officer or employee of the Service is reemployed, the employer shall send a notice to the Department of State of such reemployment together with all pertinent information relating thereto and shall cause to be paid, by transfer or otherwise, to the Department of State funds necessary to cover gross salary, employer contributions, and gross lump-sum leave payment relating to the employment of the reemployed officer or employee. The Department of State shall make to and on behalf of the reemployed officer or employee payments to which he is entitled under the provisions of paragraph (a) of this section, and shall make those withholdings and deductions authorized and required by law.

"(c) In the event of any overpayment under this section the Secretary of State is authorized to withhold the amount of such overpayment from the salary payable to such reemployed officer or employee or from his annuity."

"SEC. 45. (a) So much of paragraph (a) of section 881 of such Act as precedes subparagraph (1) thereof is amended to read as follows:

"(a) Any participant may, at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 per centum of his basic salary, but not in excess of 10 per centum of such salary, which amounts together with interest at 3 per centum per annum, compounded annually at the end of each fiscal year through June 30, 1960; semi-annually as of December 31, 1960; annually thereafter as of December 31, and proportionately for the period served during the year of his retirement, including all contributions made during or for such period, shall, at the date of his retirement and at his election, be—".

"(b) Paragraph (c) of section 881 of such Act is amended by deleting the word 'annually' and inserting in lieu thereof the phrase 'as is provided in paragraph (a) of this section', and by changing the words 'withdrawal from active service' at the end of such paragraph to 'separation from the Service'.

"SEC. 46. Section 912 of such Act is amended by changing the heading thereto to read 'LOAN OF HOUSEHOLD FURNISHINGS AND EQUIPMENT' and by inserting between the words 'with household' the word 'basic' and by inserting between the words 'household equipment' the phrase 'furnishings and'.

"SEC. 47. Section 913 of such Act and the heading thereto is amended to read as follows:

"TRANSPORTATION OF MOTOR VEHICLES

"SEC. 913. The Secretary may, notwithstanding the provisions of any other law, transport for or on behalf of an officer or employee of the Service, a privately owned motor vehicle in any case in which he shall determine that water, rail, or air transportation of the motor vehicle is necessary or expedient for all or any part of the distance between points of origin and destination. Not more than one motor vehicle of any such officer or employee may be transported under authority of this section during any four-year period, except that, as a replacement for such motor vehicle, one additional motor vehicle of any such officer or employee may be so transported during such period upon approval, in advance, by the Secretary and upon a determination, in advance, by the Secretary that such replacement is necessary for reasons beyond the control of the officer or employee and is in the interest of the Government. After the expiration of a period of four years following the date of transportation under authority of this section of a privately owned motor vehicle of any officer or employee who has remained in continuous service outside the continental United States (excluding Alaska and Hawaii) during such period, the transportation of a replacement for such motor vehicle for such officer or employee may be authorized by the Secretary in accordance with this section."

"SEC. 48. (a) Section 1021 of such Act is amended by inserting the phrase 'the Department including' immediately prior to the phrase 'the Service' wherever it appears in this section.

"(b) Section 1021(a) is further amended by striking out the phrase 'if recommended by the Director General' and inserting in lieu thereof the phrase 'at the discretion of the Secretary'.

"SEC. 49. Section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295), is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of carrying into effect the provisions of this Act there is hereby authorized to be appropriated, in addition to amounts previously authorized, an amount not to exceed \$10,000,000, which shall remain available until expended."

"SEC. 50. Section 11 of the Act of August 1, 1956 (70 Stat. 890), is hereby amended by inserting after the phrase 'Government-owned vehicles' the phrase 'or taxicabs', and by inserting after the phrase 'public transportation facilities' the phrase 'other than taxicabs'.

"SEC. 51. Paragraph (4) of section 104(a) of the Internal Revenue Code of 1954 (26 U.S.C. 104(a)(4)) (relating to the exclusion from gross income of compensation for injuries and sickness) is hereby amended to read as follows:

"(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the

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Public Health Service, or as a disability annuity payable under the provisions of section 831 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1081; 60 Stat. 1021)."

"SEC. 52. The following headings and sections in the Foreign Service Act of 1946, as amended, are hereby repealed:

"(1) Section 442 of such Act and the heading thereto.

"(2) Section 525 of such Act and the heading thereto.

"(3) Section 576 of such Act and the heading thereto.

"(4) Section 577 of such Act and the heading thereto.

"SEC. 53. Any person who occupies a position in the Department of State to which he was appointed by the President, by and with the advice and consent of the Senate, at the time that he was an active Foreign Service officer, and who while holding this position has retired for age as a Foreign Service officer, and who on the effective date of this section, continues to hold such position is hereby reinstated, effective as of the date of such retirement, to active status as a Foreign Service officer and shall be entitled to all the provisions of the Foreign Service Act of 1946, as amended, as though he had never retired.

"SEC. 54. Notwithstanding the provisions of this Act, existing rules and regulations of or applicable to the Foreign Service of the United States shall remain in effect until revoked or rescinded or until modified or superseded by regulations made in accordance with the provisions of the Foreign Service Act of 1946, as amended by this Act, unless clearly inconsistent with the provisions of this Act or the provisions so amended.

"SEC. 55. Notwithstanding any other provisions of law, any Foreign Service staff officer who accepted an appointment as a Foreign Service Reserve officer in the Department of State during the period beginning September 1, 1958, and ending December 31, 1958, both dates inclusive, shall not be separated from the Foreign Service before the expiration of his original appointment as a Foreign Service Reserve officer, except as authorized by section 637 of the Foreign Service Act of 1946, as amended.

"SEC. 56. (a) The provisions of this Act shall become effective as of the first day of the first pay period which begins more than thirty days after the date of enactment of this Act, except as provided in paragraphs (b), (c), (d), and (e) of this section, and except as otherwise provided in the text of this Act.

"(b) (1) The provisions of paragraph (c) (1) of section 803 of the Foreign Service Act of 1946, as amended by section 31(b) of this Act, shall become effective on the first day of the first month which begins more than one year after the date of enactment of this Act, except that any Foreign Service staff officer or employee, who at the time this Act becomes effective meets the requirements for participation in the Foreign Service Retirement and Disability System, may elect to become a participant in the System before the mandatory provisions become effective. Such Foreign Service staff officers and employees shall become participants effective on the first day of the second month following the date of their application for earlier participation.

"(2) The provisions of paragraph (c) (2) of section 803 of the Foreign Service Act of 1946, as amended by section 31(b) of this Act, shall become effective on the first day of the first month which begins more than three years after the date of enactment of this Act.

"(c) The amendment made by section 33 of this Act, with respect to a contribution to the Foreign Service Retirement and Disability Fund to be made by the Department, shall become effective July 1, 1961.

"(d) The amendment made by section 41 of this Act shall take effect on the first day of the first month which begins more than thirty days after the date of enactment of this Act.

"(e) The amendment made by section 51 of this Act shall be effective with respect to taxable years ending after the date of enactment of this Act."

And the House agree to the same.

WAYNE L. HAYS,

EONA F. KELLY,

LEONARD FARBSTEIN,

ALVIN M. BENTLEY,

FRANCES P. BOLTON,

Managers on the Part of the House.

J. W. FULBRIGHT,

JOHN SPARKMAN,

MIKE MANSFIELD,

BOURKE B. HICKENLOOPER,

HOMER E. CAPEHART,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2633) to amend the Foreign Service Act of 1946, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

LIMITED AND PROBATIONARY APPOINTMENTS

Section 12 of the House amendment to the Senate bill amends section 531 of the Foreign Service Act which deals with limited and temporary appointments, including probationary periods of service, of Foreign Service Staff officers and employees. The Senate bill contains a similar provision. Under both versions the Secretary may terminate at any time and without regard to the provisions of any other law the services of Staff officers and employees appointed for temporary or limited service or who occupy probationary status. The Senate version contains a provision that should a Staff officer or employee in one of these categories be separated because of misconduct, he shall be given a hearing in accordance with the provisions of section 637 of the act. The managers on the part of the House accepted the Senate language.

TERMINATION OF SERVICES OF RESERVES AND

LIMITED APPOINTEES

The managers on the part of the House accepted section 28 of the Senate bill with an amendment. This section permits the Secretary to terminate at any time the services of any Foreign Service Reserve officer or staff officer or employee who is serving under a limited appointment except that if such termination is because of misconduct the provisions of the language contained in section 27 of the Senate bill dealing with separation for cause will be applicable. The managers on the part of the House accepted this part of section 28 of the Senate bill.

Section 28 also provides that the conditions of employment of a small group of former staff officers who accepted Reserve officer appointments in the latter part of 1958 would not be affected by the provisions for termination of Reserve officer appointments contained in the first sentence of this section. The conferees deleted this portion of the Senate bill, as covered by section 52 of the House amendment, which was accepted by the Senate conferees. Section 52 of the House amendment (renumbered as section 55 of the conference substitute) provides that the services of this small group of Reserve officers would not be terminated before the expiration date of their appointments except where termination is for cause. The Senate accepted the language of the House amendment, with a perfecting amendment.

SEPARATION FOR CAUSE

Section 27 of the Senate bill brings into one section procedures for the separation of Foreign Service officers, Reserve officers or staff personnel for unsatisfactory performance of duty or for such other cause as will promote the efficiency of the Foreign Service. These procedures do not apply to Foreign Service officers of class 8 or any other officer or employee of the Service who is in a probationary status or whose appointment is limited or temporary except when the separation of such individuals is by reason of misconduct. It also provides that a participant in the Foreign Service retirement system separated under this section, if he has 5 years of service, may elect to receive a deferred annuity at age 60 except in cases where the Secretary determines that separation was based in whole or in part on grounds of disloyalty.

The managers on the part of the House accepted the Senate provision. The provisions for separation in this section will be used in those cases involving misconduct as provided in sections 14 and 28 of the Senate bill which the managers on the part of the House agreed to.

EXTENSION OF SERVICES

Section 20 of the Senate bill permits the Secretary of State whenever he shall determine it to be in the public interest to extend for a period of not more than 5 years the services of a career ambassador or a career minister who has reached the mandatory retirement age. The House amendment contains no limitation on the number of years of postretirement service that such an individual could serve. The managers on the part of the House accepted the limitation contained in the Senate bill.

HOUSING DIFFERENTIAL DURING SERVICE IN THE UNITED STATES

The Senate bill (sec. 18) contains a section providing for a housing differential for Foreign Service personnel assigned to duty in the continental United States and Foreign Service officers of class 7 and 8 assigned to duty in the continental United States prior to assignment abroad. The House amendment does not contain this provision. In receding from the Senate version the conferees of both Houses were in agreement that the Senate provision was desirable and reasonable. Unlike other Government employees the Foreign Service is a mobile service in which a tour of duty in Washington constitutes only a small part of their total service. They acquire little or no equity in housing. Because of the strong opposition of the executive branch the conferees agreed to omit this section from the bill.

ESOTERIC FOREIGN LANGUAGES

Section 32(b) of the Senate bill adds a provision to the Foreign Service Act which authorizes the Secretary of State to provide special monetary incentives to encourage Foreign Service personnel to acquire or to retain proficiency in esoteric foreign languages or other special abilities needed in the Service. The House amendment has no comparable provision. The acquisition and maintenance of proficiency in the esoteric languages is a time-consuming and frequently extracurricular requirement which imposes heavily upon an officer's or employee's time. Further, an officer who becomes such a language and area specialist will in most instances be called upon to spend a disproportionate part of his career in the Service at posts where living conditions are difficult. The need for officers trained in these difficult languages is becoming increasingly important in the conduct of foreign affairs activities. The managers on the part of the House accepted the Senate language in the belief that the Secretary should have authority to offer incentives that will stimulate the mastery of these languages.

FOREIGN LANGUAGE KNOWLEDGE PREREQUISITE TO
ASSIGNMENT

The Senate bill requires that the Secretary designate every Foreign Service officer position in a foreign country whose incumbent should have a useful knowledge of a language or dialect common to such country. The House amendment requires that the Secretary determine annually the number of such positions.

The Senate bill also provides that each such position so designated shall be filled after December 31, 1963, only by an incumbent having such knowledge. The House amendment provides that after that date the prescribed quota of language officers be maintained for each country.

The Senate bill permits either the Secretary or the Deputy Under Secretary for Administration to make exceptions to this requirement for individuals or when special or emergency conditions exist. The House amendment permits exceptions only by the Secretary when special or emergency conditions exist.

The managers on the part of the House accepted the Senate language.

FOREIGN SERVICE BUILDINGS PROGRAM

Section 55 of the Senate bill carries an authorization for the Foreign Service buildings program of \$100 million of which half is to be used for the purchase of local currencies to finance the program. The House amendment contains no language on this matter.

The Subcommittee on State Department Organization and Foreign Operations of the Committee on Foreign Affairs held extensive hearings during 1959 and 1960 on the buildings program. Testimony before the subcommittee showed inconsistencies in justification of new buildings and an arbitrary handling of the program by the Office of Foreign Buildings. Under these conditions neither the subcommittee nor the Committee on Foreign Affairs was willing to authorize additional sums. Apart from new construction and acquisition of property, money is needed for maintenance, rehabilitation, and planning. The managers on the part of the House agreed to an authorization of \$10 million for the program. It is the intention of the conferees that to the maximum extent practicable local currencies owed to or owned by the United States will be used.

WAYNE L. HAYS,
EDNA F. KELLY,
LEONARD FARBEIN,
ALVIN M. BENTLEY,
FRANCES P. BOLTON.

Managers on the Part of the House.

CORRECTION OF ROLLCALL

Mr. WHITENER. Mr. Speaker, on rollcall No. 194 I am recorded as being absent. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, on rollcall No. 193 I am recorded as being absent. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered and the following Members failed to answer to their names:

[Roll No. 195]

Alger	Hébert	Miller,
Barden	Hess	George P.
Barry	Hoffman, Mich.	Montoya
Baumhart	Hogan	Morrison
Bolling	Ikard	Murray
Buckley	Jackson	Powell
Celler	Judd	Preston
Cooley	Kasem	Rogers, Mass.
Davis, Tenn.	Kearns	Sikes
Denton	Kilburn	Smith, Kans.
Dulski	Lafore	Taylor, N.Y.
Durham	Landrum	Thompson, La.
Goodell	McSweeney	Vinson
Grant	Magnuson	Wampler
Harris	Mahon	Withrow
Healey	Mason	Young

The SPEAKER. On this rollcall 382 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I call up the conference report on the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume the gentleman will take ample time before the vote on the conference report to explain the report.

Mr. PASSMAN. I assure the gentleman I shall take ample time to explain the conference report.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 25, 1960.)

Mr. PASSMAN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, if I should lack other reasons for being joyful, at least there is one thing I am elated about, and that is, for the first time since the inception of the foreign aid program, we are well on the way toward putting some sense into the program and bringing it back under the control of the Congress.

We have long had a double standard for spending Federal funds. All projects in America, regardless of their nature, had to be justified and criteria set up; whereas, on thousands of foreign aid programs, thousands of bureaucrats scattered all over the world could initiate unworkable, unprofitable, and unjustified projects without any control.

Under the conference report before you, you will discover many of your committee's recommendations to put some teeth in the legislation have been approved. We hope more can be accomplished at a later date to finally bring this ever-expanding, worldwide, diversified, and uncontrolled program back under control.

If I may have other troubles, political or otherwise, they are now overshadowed by the extreme joy that I now feel because for one time the overburdened and shamefully abused taxpayer is having his day in court.

I do invite the membership to read the final bill for full particulars of the tightening up of this loose program.

I want to thank the House conferees who assisted me in conference for their cooperation, and express my appreciation to the able Senators who represented the other body in conference for crediting the House committee with going into the program in great detail. They were most cooperative with the House conferees in adopting provisions that would help bring this mammoth program back under the control of the Congress.

A good indication that this is the finest report ever presented to the House by this Subcommittee on Foreign Aid is that it is stubbornly and persistently rejected by the freewheeling, uncontrolled bureaucrats who administer the program, but fortunately the Congress has a say in these matters and we are now attempting to exercise that prerogative.

I want to thank the chairman of the Appropriations Committee, the distinguished and very able chairman from Missouri, CLARENCE CANNON, for making me chairman of this committee and affording me the opportunity to render some small service to the overburdened taxpayer.

Mr. Speaker, the revised budget total for the foreign aid program was \$4,275 million. The conference report before you recommends \$3,716,350,000, or an amount of \$558,650,000 below the budget request. The legal authorization is \$4,186,500,000 which means that we are \$470,150,000 below the legal authorization.

I might state this—and I certainly hope there will not be any misunderstanding—that the report under consideration is \$265 million below the amount the other body appropriated not over 72 hours ago.

Mr. Speaker, you will find in reading the bill that notwithstanding the fact that the Senate reinstated practically all of the House cuts, the House conferees yielded only on \$31,850,000 of the original House bill plus, of course, the